



PERFORMANCE APPRAISAL IN INSURANCE SECTOR-A STUDY OF LIC OF INDIA WITH REFERENCE TO KHAMMAM DISTRICT, TELANGANA STATE

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ABSTRACT

Insurance Industries in India have taken a giant shape especially after privatization. LIC of India is one of the most important public sector which plays excellent job in selling its products. As many private companies entered, lot of competition is being faced by Life Insurance Corporation. The Present study is conducted to know the growth and performance of LIC.

KEYWORDS: Performance Appraisal, Training, Objectives, Methods.

Introduction:

Performance Appraisal is the process of evaluating employee's present performance with relative to his or her performance standards. Appraisal can be made by one or more superiors or sometimes special committee is set up for this purpose. Appraisal for employees is conducted annually or sometimes Six-monthly basis.

Objectives:

The main objectives of the study are:

- To allow the employees know formally how their performance is being rated
- To help in identifying employees who deserve raise in payment basing on their performance
- To help in locating employees who need additional training
- Also to identify the employees who are suitable for promotion

Methods of Performance Appraisal:

The following are the various methods of Performance Appraisal:

1. **Ranking Method:** In this method, one individual is compared with others in the organization and is given a particular rank. 2. **Rating Scale Method:** In this method, an individual is judged with various parameters such as excellent, good, satisfactory, average
3. **Check List Method:** In this method, an individual is checked against number of statements. With regard to his performance and behavior.
4. **Critical Incident Technique:** In this method on the basis of observation, previously prepared critical incidents with regard to employee performance are considered.
5. **Confidential Report:** This is given by supervisor by considering all factors. This is the old method which is still in use.

In this study the focus is on the Performance Appraisal of the organization

Sample design and Size Methodology of the study:

: 300 employees of various categories are taken for this study

Sources of the Data: For this study, primary data and secondary data are taken. Primary data is collected through questionnaire whereas secondary data is collected from published books and web sites.

Analysis of the data: The collected data is analyzed with the help of various statistical tools like

MS-EXCEL, Percentages, averages

Review of Literature:

The literature on life insurance industry includes books, theses, dissertations, study reports and articles published. The review of literature for the present study is given below.

1. A survey conducted by the Indian Institute of Public Opinion in 1992, on "Different Facets of LIC" brings into sharp relief the extent to which people are

aware of LIC and its policies and have confidence on it.

2. Mishra in 1993 in his research paper, "Analysis of productivity in service sector"-A case study of LIC, studied that on the basis of productivity analysis with reference to new business, business in force, premium funds and claim settlement.
3. Mishra K.C and Smita Mishra in 2000, in their article on "Insurance Industry: Recipe for a learning organization" say that like any other industry, insurance industry in India suffers from one challenge repeatable a hundred times.
4. Balasubramanian, T.S and Gupta S.P in 2000 in their book on "Insurance Business Environment", explain at length the global and Indian pictures of Insurance Systems
5. Mitra Debadrata in 2000 in the thesis entitled, "Employees and PSU" -opines that state owned undertakings provide all sorts of facilities and amenities to employees along with usual emoluments.
6. Wadikar Ashok Laxaman in 2001 in his thesis on "Innovativeness in the Insurance Industries", confirms a general opinion that innovativeness in every activity alone rules and dominates the industry.
7. Balachandran in 2001 in his book on "Customer Driven Services Management" concludes that the insurance industry is fast growing and mostly becoming a customer driven and customer centric one.
8. Srivastava, D.C and Srivastava S in 2001, in their book on "Indian Insurance Industry-Transition and prospects" discuss the financial significance of insurance industry and its contribution to Indian Economy.
9. Ajay Mahal in 2002, in his article on "Assessing Private Health Insurance in India-potential impacts and Regulatory issues" asserts that entry of private health insurance companies have an impact on the costs of health care, equity.
10. Mark S. Dorfman in 2002, in his book on "Introduction to Risk Management and Insurance" reviews the salient features of the Insurance Industry.
11. Charles P. Jones in 2002, in his book on "Introduction to Risk Management and Insurance" reviews the salient features of the insurance industry.
12. Alok Mittal and Akash Kumar in 2003 in their study "An Exploratory study of factors affecting selection of life insurance products" have attempted to identify the factors which are affecting the consumers in taking into consideration before selecting a life insurance product.
13. T. Venkateswara Rao in 2004 presented a paper titled "Alternative Distribution Channels in India", the research said that distribution in Life Insurance requires intermediaries.
14. Sinha and Tapen in 2005, in their research article, "The Indian Insurance Industry-challenges and Prospects", have stated that India is among the most promising emerging insurance markets in the world.
15. Manjit Singh and Rohit Kumar in 2008, in the paper, "Indian Insurance Indus-

try outlook in the post reform period", highlighted that insurance penetration and density has witnessed an increasing trend in post-reform period

ANALYSIS OF THE DATA

- Among 300 respondents, 71.3% are Male respondents, 28.7% are Female respondents.
- Among 300 respondents, 11.7% are Assistant Administrative Officers, 1.7% are Assistant Divisional Managers, 4% are Administrative Officers, 23.3% are Assistants, 25% are Development Officers, 20% are Higher Grade Assistants, 8.3% are Record Clerks and remaining 6% are sub-staff.
- Among 300 respondents 69% are post-graduates, 23% are graduates, 3.7% are s.s.c qualified, 2.3% are intermediate qualified and the other 2% are above post-graduates.
- Among 300 respondents 16% respondents income is between 20,000-30,000. 5% respondents income is between 30,000-40,000, 34.3% respondents income is 40,000-50,000 and remaining 44.7% respondents income is more than 50,000.
- Among 300 respondents 7% felt that life insurance is because of risk covers. 8.3% felt it is for investment. 11.3% felt it is for confidence building. 79.7% felt it is for all the above reasons.
- Among 300 respondents 12.3% strongly agreed that performance appraisal needed to be done compulsorily. 17% agreed with that. 11.3% disagreed. 27.3% strongly disagreed and 32% did not say anything.
- Among 300 respondents 11.3% felt in appraising performance the regularity of attendance is considered. 11.3% felt sometimes it is to be considered. 20.3% felt at regular intervals it is considered. 34.7% felt it is not to be considered. Other 22.3% did not say anything.
- Among 300 respondents 32.3% felt that the appraisal for self expression is done by oral. 10% felt that it is to be done by written. 2% felt it is to be done by symbols. 26.7% felt that it is to be done by both oral & written and other 29% did not feel anything.
- Among 300 respondents 54% felt it is best to the ability to work with others. 1.3% felt it is better, 14.7% felt it is good. 16.3% felt it is worse and the other 13.7% did not respond.
- Among 300 respondents, 19.3% felt that the appraisal for technical skills is done by testing. 15% felt it is by observing. 21.7% felt it is by ranking. 9.3% felt it is by check list and the other 34.7% did not say anything.
- Among 300 respondents, 32% felt creative skills are appraised by ranking. 1.3% felt it is by testing. 10.3% felt it is by experience. 18% felt they are not appraised and the other 38.3% did not respond.
- Among 300 respondents 1.7% felt peer appraisal is good, 13.3% felt subordinate appraisal is good, 7.7% felt that self appraisal is good. 54% felt committee appraisal is good. 23.3% felt any method is not good.
- Among 300 respondents 2% felt formal appraisal is existing in the organization. 87.7% felt informal appraisal is there. 4% felt group appraisal is there. 3% felt both formal & informal appraisals are there. 6% did not say anything.
- Among 300 respondents 77% said formal appraisal is being followed. 11% said informal appraisal is following. 3.7% felt group appraisal, 8% felt both formal, group appraisals are being followed, other 2% felt self appraisal is following.
- Among 300 respondents, 77.7% felt formal appraisal is best. 3% felt it is better, 1.3% felt it is good, 17.7% felt it is worse and remaining 3% did not say anything.
- Among 300 respondents 39% felt appraisal is done once in a year. 4.3% felt it is done for every 3 months. 13% felt it is done yearly thrice and the other 43.7% did not respond.
- Among 300 respondents 1% felt informal appraisal gives always right information. 18.7% felt it does not always give right information. 7.7% felt sometimes it gives right information. 61.7% felt never it gives right information and other 11% did not say anything.
- Among 300 respondents 13.7% strongly agreed that performance appraisal builds progress. 1.3% agreed with that. 7.3% disagreed. 14% strongly disagreed and 33.7% did not say anything.
- Among 300 respondents 8.3% felt agreed for performance appraisal identifies employees who deserves pay raise on good performance. 43.7% did not agree, 1% felt sometimes it deserves, 17.7% felt periodically it deserves, and 29.3% did not say anything.
- Among 300 respondents, 3.3% strongly agreed that performance appraisal identifies people suitable for promotion. 1.3% agreed with that. 1.3% disagreed and 54.7% strongly disagreed that appraisal identifies people suitable for promotion and 39.3% did not say anything.

Conclusions:

- In the study taken most of the respondents are Male gender.
- Most of them are Development Officers.
- Most of the respondents are Post-Graduates.
- Income of the most of the respondents is more than 50,000.
- Out of 300, Most of the respondents felt that performance appraisal is to be done compulsorily.
- Respondents also felt attendance is also to be considered in appraising performance.
- Written, Oral appraisals are done regularly.
- Respondents felt happy and felt it is best for the ability to work with others.
- Most of them told that appraisal is done by testing.
- Respondents felt that creative skills are appraised by ranking.
- Most of the respondents felt that committee appraisal is good.
- Most of the respondents told informal appraisal is there.
- Respondents felt that formal appraisal is being followed in the organization.
- Respondents also felt that formal appraisal is the best.
- Respondents felt that Informal Appraisal never gives right information.
- Appraisal is done once in a year.
- Performance Appraisal helps in progress.
- It helps the employees to know their current performance.
- Performance Appraisal helps in identifying employees who deserve raise in pay.
- Most of the respondents disagreed that appraisal identifies people suitable for promotion.

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